

Exhibit 2

Part 2

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SEPTEMBER 8 • 2014 EDITION

Forbes

HERMÈS CEO
AXEL DUMAS

"OUR BUSINESS
IS ABOUT
CREATING DESIRE."

EXCLUSIVE

THE
WORLD'S
100
MOST
INNOVATIVE
COMPANIES

LUXURY'S **SECRET EMPIRE**

INSIDE THE \$25 BILLION FAMILY
REMASTERING THE ART OF SALES

THE INNOVATION ISSUE

\$6.99

44>



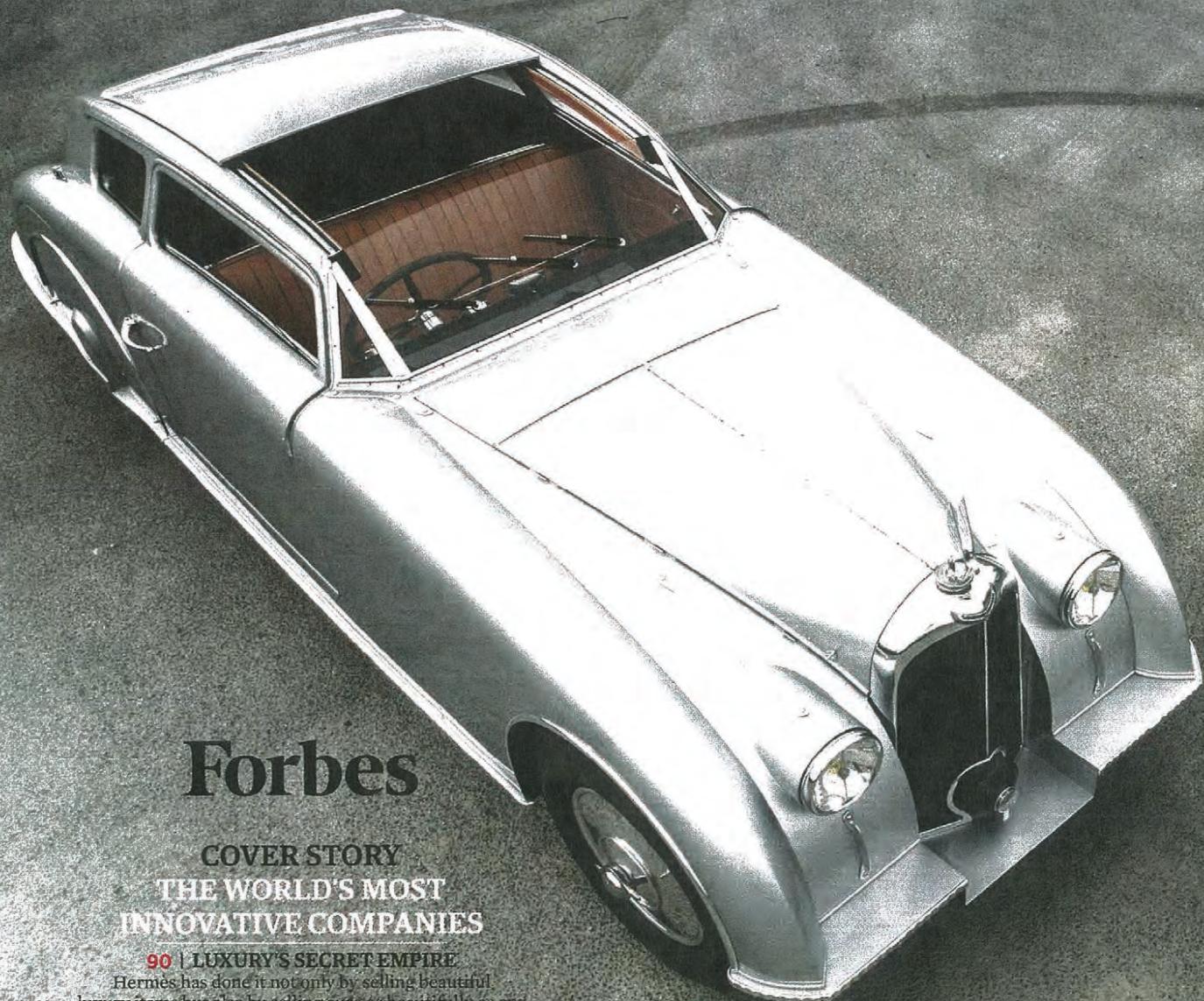
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C28 Aerosport with
custom-made Hermès
leather interior

COVER PHOTOGRAPH BY DAVID YELLEN FOR FORBES
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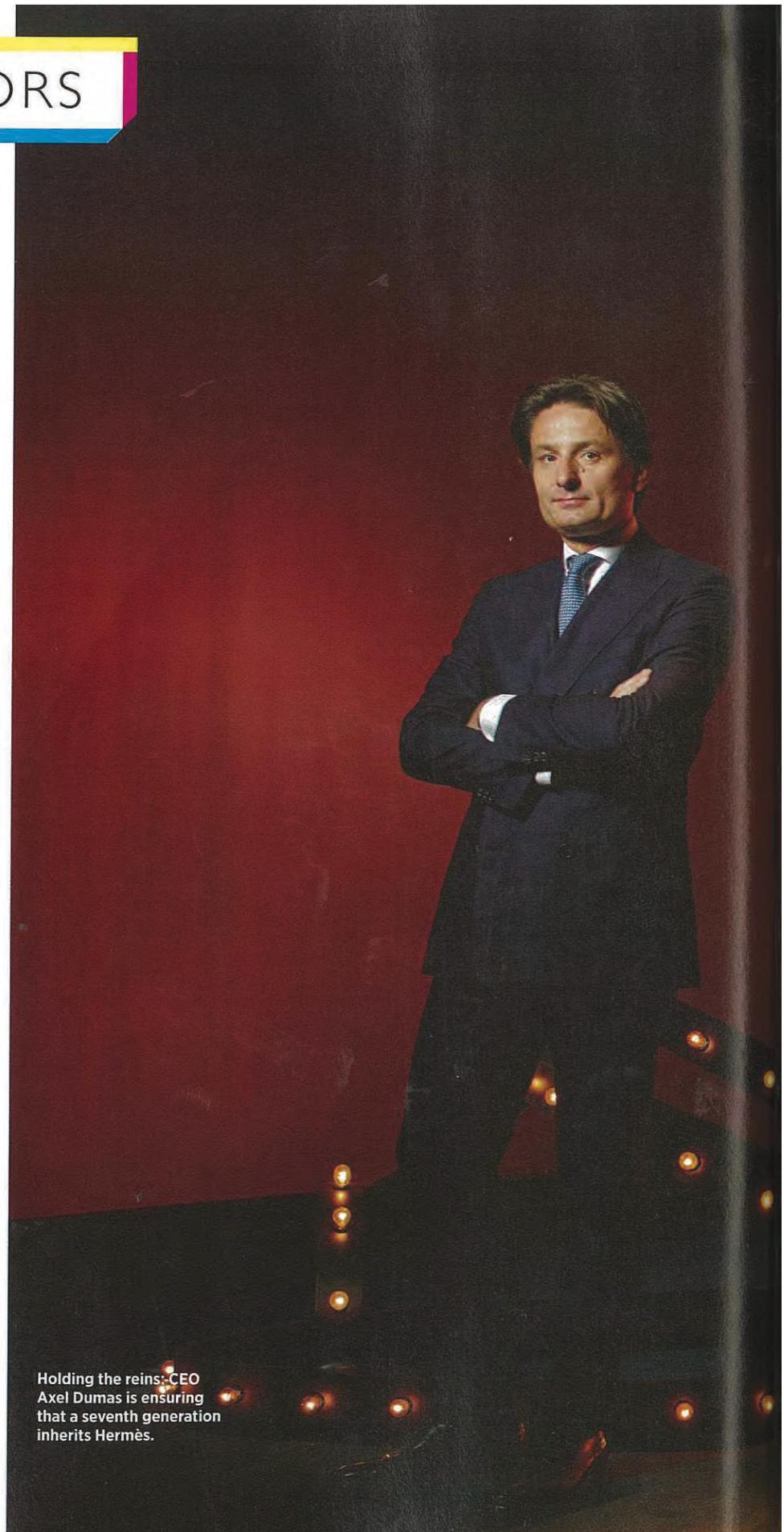
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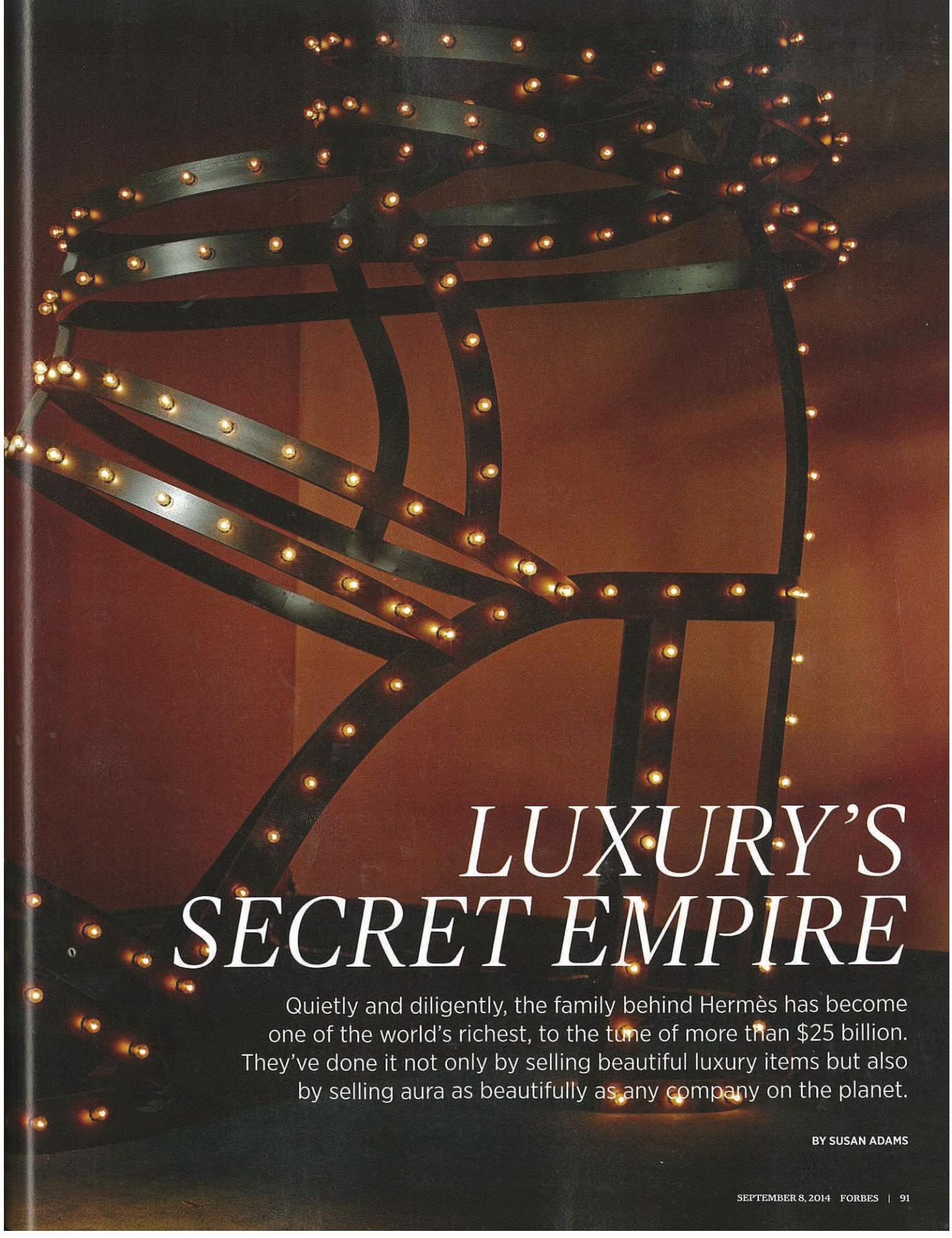
Axel Dumas, sixth-generation scion of the Hermès luxury goods dynasty and since February its CEO, has a secret. Sitting in his tenth-floor office with a glittering view of Montmartre, for an appointment that's taken weeks of negotiations, Dumas is four days away from replacing Christophe Lemaire, the highly regarded designer of Hermès' important ready-to-wear women's fashion line.

So what does the 44-year-old chief executive want to talk about? "The main strength of Hermès is the love of craftsmanship" is the first thing he says in his accented but fluent English. Ten seconds later: "We see ourselves as creative craftsmen." Thirty minutes in: "The philosophy of Hermès is to keep craftsmanship alive." After two hours Dumas is still holding back on the granular details, no matter which way I ask, of how Hermès has emerged as the most ascendant company in the \$300 billion luxury market. No guidance on the art of selling everything from \$94,000 crocodile leather T-shirts to \$1,275 beach towels. And certainly nary a hint that Dumas would imminently replace Lemaire with Nadège Vanhee-Cybulski, the 36-year-old design director at The Row (the couture clothing brand run by the Olsen twins), even though he knew that I would soon find out along with the rest of the world.

But all this obfuscation and secrecy, perversely, also drives home what has prompted Hermès' stock to shoot up 175% over the past five years. Indeed, on FORBES' accompanying list of the world's most innovative public companies, the 177-year-old Hermès is ranked No. 13, ahead of companies such as Netflix, Priceline and Starbucks. The list, determined by measuring which companies trade at

Holding the reins: CEO Axel Dumas is ensuring that a seventh generation inherits Hermès.





LUXURY'S SECRET EMPIRE

Quietly and diligently, the family behind Hermès has become one of the world's richest, to the tune of more than \$25 billion. They've done it not only by selling beautiful luxury items but also by selling aura as beautifully as any company on the planet.

BY SUSAN ADAMS

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a level incongruous to their underlying financials and assets, measures each company's market-tested premium for innovation. Dumas' high-flying stock, accelerated by LVMH's apparent interest in a takeover several years ago and a thin float, doesn't rely on the technological efficiencies that drive so many others on this ranking. Nor is it propelled solely by his endlessly repeated "craftsmanship," though that's certainly an essential underpinning.

At Hermès any lasting premium derives from mystique. After all, selling a commodity ultimately boils down to one thing: price. But selling beautiful objects that people don't inherently need? That requires a more complicated formula that Hermès has mastered: Last year the company set a record, reporting an operating profit of \$1.69 billion with \$5 billion in sales—the fastest-growing company in its industry over the past six years, fueled by a sort of branding and marketing craftsmanship as exacting as the stitching on one of its iconic Birkin bags.

The payoff for this softer kind of innovation is enough to make a social media startup founder blush. In examining Hermès' ownership structure, FORBES estimates that at least five family members now belong on our global billionaires list. And the collective fortune for Dumas' family now tops \$25 billion—more than the Rockefellers, the Mellons and the Fords. Combined.

THE CREATION OF ONE of the world's great wealth machines, built within the kind of sprawling family structure that tends to stifle innovation rather than spawn it, boils down to three dates.

The first one traces back to 1837, when a leather-harness maker named Thierry Hermès established a shop in Paris. To the beau monde who relied on equipage for travel, the quality and beauty of Her-

mès bridles and harnesses were unrivaled. Thierry had only one child, Charles-Émile, who moved the business to 24 Rue du Faubourg Saint-Honoré, where it remains to this day. Charles-Émile, in turn, had two sons, Adolphe and Émile-Maurice, who transformed the business into Hermès Frères. But eventually Adolphe believed the company had a limited future in the era of the horseless carriage, leaving Émile to carry on. Émile had four daughters (one of whom died in 1920), which explains why no one involved in the family business is named Hermès. It's those descendants—the fifth and

sets budgets, approves loans and exercises veto power. The other, Hermès International, oversees the day-to-day management of the company and incorporates outsiders (nonfamily members currently occupy 4 of 11 board spots).

As with everything Hermès, it was byzantine and painstakingly mapped out. It worked. The new structure helped Hermès in 1993 sell 4% of its shares to the public, giving younger generations a way to liquidate while allowing the family to keep control. And that new war chest helped encourage Hermès to think bigger than a fine leather goods maker. Jean-Louis Dumas expanded the company into men's ready-to-wear attire, tableware and furniture. Between 1989 and 2006 sales grew fourfold, to \$1.9 billion. Still, it wasn't a foolproof plan. Bernard Arnault, head of the world's largest luxury company, LVMH (Moët Hennessy Louis Vuitton), took note of the growth. Hermès fit right into his burgeoning portfolio in the same way Dior and Fendi did. So in 2002 Arnault began accumulating shares, using the same cash-settled equity-swaps strategy that hedge funds use to amass positions without technically needing to disclose. In 2010 Arnault publicly revealed that he controlled 17% of Hermès and a takeover seemed a fait accompli. With the stock up 30% on such speculation, the three branches of the remaining Hermès family were expected to take the money and run.

Arnault's move, instead, created the company's final turning point. Rather than cash out, the family circled its leather-upholstered wagons. Patrick Thomas, the non-family member who served as CEO between Jean-Louis Dumas and Axel Dumas, famously declared that "if you want to seduce a beautiful woman, you don't start raping her from behind."

In another bold move, in 2011 more than 50 descendants of Thierry Hermès pooled their shares into

"HERMÈS IS NOT FOR SALE," SAYS DUMAS, "AND WE ARE GOING TO FIGHT TO STAY INDEPENDENT."

sixth generations—who control the company today.

The second turning point for Hermès came far more recently, in 1989. Over the course of the 20th century Hermès remained one of the world's great luxury brands. But with its focus on artisans—every one of its leather goods is made by hand in 12 workshops in France by more than 3,000 skilled workers—it was built to trot, not gallop. Under Axel Dumas' uncle, Jean-Louis Dumas, CEO from 1978 to 2006, much of the family ownership had split into a Russian-nesting-doll-like group of six holding companies. Layered atop that was an ingenious two-tier management structure engineered by Jean-Louis. One was more about ownership—a family-only entity named Émile Hermès SARL, after their ancestor—that

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INSIDE THE FAMILY FORTUNE



Using annual reports dating back to 2005, FORBES has estimated the Hermès family's wealth at \$25 billion. Based on their stake in the business, at least five fifth-generation descendants of Thierry Hermès are billionaires—either alone or with their immediate families. (Through a company attorney the family disputes these individual estimates.) All but one of the identified family members own their stake through holding companies, all noted as "related to" those entities. As of 2011, most family shareholders—who are descended from Thierry Hermès' three great-granddaughters, Yvonne, Jacqueline, and Aline—have transferred their respective holding company stakes into a single holding company, called H51, and are under an agreement not to sell a single share to anyone outside H51 until 2040. This strategy ensures that a seventh generation will inherit Hermès.

YVONNE PUECH'S DESCENDANTS

- BERTRAND PUECH \$2.4 BIL
- MARTINE FAURE
- AMÉLIE PUECH-BASCOP
- ÉTIENNE PUECH
- JEAN-BAPTISTE PUECH
- ISALINE PUECH-GINESTY

H2 SAS VALUE: \$2.4 BILLION

- ISALINE PUECH BERNARD MOMMÉJA
- RENAUD MOMMÉJA
- LAURENT MOMMÉJA
- OLIVIER MOMMÉJA



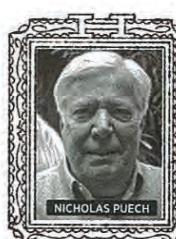
POLLUX ET CONSORTS. VALUE: \$2.2 BILLION

- MARIE-FRANCE PUECH GÉRARD BAUER
- HENRI-LOUIS BAUER
- CHARLES-ÉRIC BAUER



- AGNÈS PUECH \$1.3 BIL THIERRY HARTH
- CLEOPHÈE TORDJMAN
- CAPUCINE BRUET

- NICOLAS PUECH \$2.1 BIL
- ODILE PUECH(D.)



KEY:

CEOS (CURRENT AND FORMER)

SUPERVISORY BOARD

ÉMILE HERMÈS SARL MANAGEMENT BOARD

BILLIONAIRES

ARTISTIC MANAGING DIRECTOR



JACQUELINE DUMAS' DESCENDANTS

- JEAN-LOUIS DUMAS (D.) \$1.7 BIL
- RENA GREGORIADÈS (D.)
- PIERRE-ALEXIS DUMAS
- SANDRINE DUMAS-BREKKE

OLIVIER DUMAS MICHELE MARTIN

- AXEL DUMAS
- MATTHIEU DUMAS

PHILIPPE DUMAS \$1.9 BIL KATHRYN FENDER

- ROBERT DUMAS
- LOUIS DUMAS
- JEAN DUMAS
- ÉMILE DUMAS
- Alice CHARBIN-DUMAS

THIERRY DUMAS ODILE FOLLENFANT

- STÉPHANE DUMAS
- JEAN-CHRISTOPHE DUMAS
- DOROTHÉE ALTMAYER

CATHERINE DUMAS PIERRE DE SEYNES

- ÉRIC DE SEYNES
- GUILLAUME DE SEYNES
- CORINNE MELLET
- SOPHIE DE SAINT-MICHEL DUNEZAT

FRÉDÉRIC DUMAS \$2 BIL LYNN GACHA-TAWA

- EDOUARD DUMAS
- CHARLES DUMAS
- EDNA BOLL-DUMAS
- SOLYNKA DUMAS



FLÈCHE SAS. VALUE: \$2 BILLION

ALINE GUERRAND'S DESCENDANTS

- JÉRÔME GUERRAND (D.) \$1.9 BIL
- CAROLINE NICOLAS
- ÉDOUARD GUERRAND
- JULIE GUERRAND
- BLAISE GUERRAND

MYRIAN GUERRAND (D.) TO PIERRE SIEGRIST

- HERMINE REDELE
- GAELE DE MENDELSSOHN-BARTHOLDY
- PASCALE MUSSARD
- VALÉRIE DE COUËDIC DE KERÉRANT

- PATRICK GUERRAND MARTINE BORGEAUD
- LIONEL GUERRAND (D.)
- OLAF GUERRAND
- MATHIAS GUERRAND (D.)

HUBERT GUERRAND ROSALINDA PEREIRA DE MELO

- OLYMPIA GUERRAND
- SIMON XAVIER GUERRAND

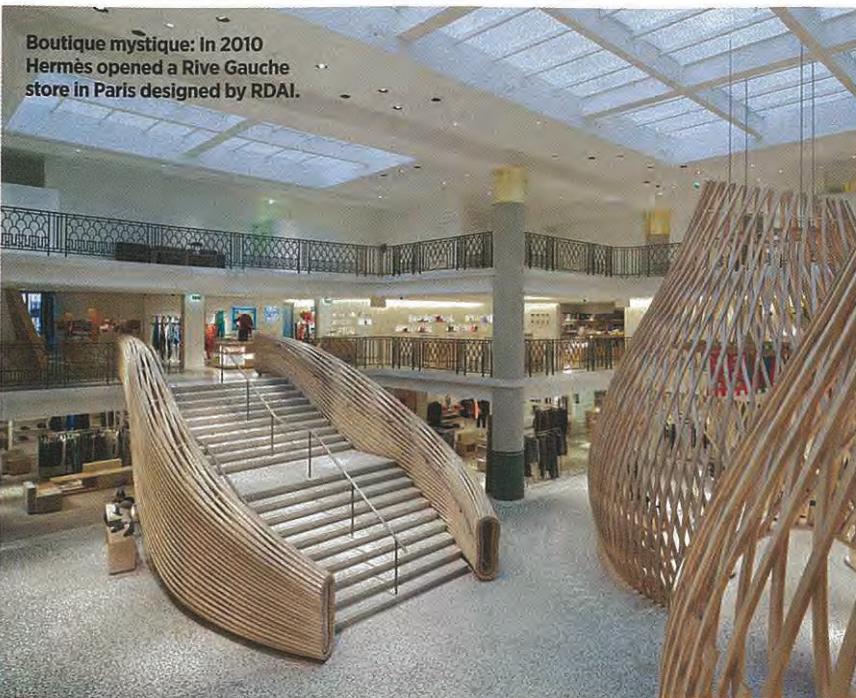
JAKYVAL. VALUE: \$1.9 BILLION



FRAMES ILLUSTRATED BY EDWIN FOTHERINGHAM FOR FORBES. PHOTOS, TOP TO BOTTOM, FROM LEFT: STAN HONDA/AFP/GTY IMAGES; PER KARLSSON/ALAMY; RODRIGO VAZ/GTY IMAGES; BERNARD BISSON/SIPA/NEWSCOM; KEVIN WINTER/GETTY IMAGES; JB LACROIX/GTY IMAGES; STEPHANE DE SAKUTIN/AFP/GTY IMAGES; ROMUALD MEIGNEUX/SIPA/NEWSCOM; KRISTY SPARROW/GTY IMAGES; THOMAS JOHN GIBBONS/GTY IMAGES

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what was essentially a \$16 billion co-op called H51. The contributors—representing 50.2% of all company shares—contractually agreed not to sell any shares for the next two decades. Two other major shareholders, fifth-generation family members Bertrand Puech, now 78, and Nicolas Puech, 71, kept their shares outside H51 but also held the line against LVMH, agreeing to give other family members the right of first refusal if they ever decided to sell.

Staring at a chart of the family's baroque ownership structure (see p. 94) can cause dizziness. LVMH and Hermès continue to fight it out in court, with Hermès even pursuing criminal charges for insider trading; LVMH has countersued, claiming false accusation. ("The battle of my generation," says Axel Dumas. "Hermès is not for sale, and we are going to fight to stay independent.") However, it turns out the family's unified front has proved profitable for Hermès. For the company the two-decade time frame once again allows it to make long-term decisions as if it were a private company. And for the

family, it was a burn-the-ships decision. The lockup means that most family members must make do with dividends, although for people like Nicolas Puech, whose \$2.1 billion holding generates an annual dividend of around \$20 million, it's enough to keep him in horses at his Spanish estate. Thierry Hermès would surely have approved.

MYSTIQUE IS HARD enough to achieve, let alone maintain over two centuries, but here's one example of how Hermès carefully cultivates its image: In May of this year the world's most elegant carnival was staged inside an august space on Wall Street: financier J.P. Morgan's legendary corner bunker at 23 Wall. A photo booth was set up to capture celebrity guests atop carousel horses, a faux synchronized swimming dance number was performed, and a fortune-teller predicted the future based on a selection of silk scarves.

This is how Hermès celebrated its first women's runway show in the United States. Much as one might want to congratulate the market-

ing department for the sensory overload spectacle—down to taste (champagne was served from a "bangle bar" shaped like an enamel Hermès bracelet) and smell (white-gowned ingenues proffered flowers scented with the brand's latest fragrance, cooing, "Would you like to smell Jour d'Hermès Absolu?")—that would be impossible: Hermès doesn't have a marketing department.

Why should it? McKinsey doesn't have a consulting department nor does Microsoft have a software department. Marketing is Hermès' core business.

At the carnival, standing atop the red carpet and greeting the 800 VIPs, including Anna Wintour, Jodie Foster and Martha Stewart, as they entered, was Hermès' de facto head of marketing: Axel Dumas.

"Our business is about creating desire," he says. "It can be fickle because desire is fickle, but we try to have creativity to suspend the momentum."

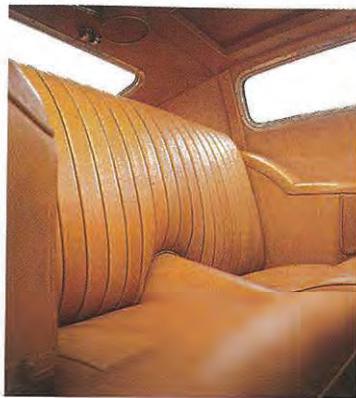
To instill this ethos in the company, all new employees are steeped in Hermès' desire-creating culture through three-day sessions called "Inside the Orange Box" (so named for the signature packaging) that trace the company back to Thierry Hermès and give a history of each of the product categories (or "métiers," in Hermès-speak, which is French for a trade). Thus every Hermès employee can wax philosophical about the Kelly bag, the trapezoidal saddle bag from the 1890s that Axel Dumas' grandfather transformed into a woman's handbag and that Grace Kelly made iconic.

But the main guardian of the Hermès mystique is the family itself.

According to a former top Hermès executive, a luxury consultant with close ties to Hermès, as well as one of the company's Asian executives (both of whom insisted on anonymity), nonfamily executives rarely make strategy or branding decisions

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Objets of desire: The artisans of Hermès create everything from basketballs and custom car interiors to Birkin bags and bicycles.

without the input of at least one Hermès descendant, many of whom may wear several hats at the company and thus hold sway over multiple métiers.

"If there are three or five people around the table and the family member says 'yes,' who will say 'no'?" says the consultant. "Nobody is powerful enough to counter that."

Once product and marketing sensibilities are vetted, however, a top-heavy roster of lieutenants is given a large degree of autonomy to execute. Creative director Pierre-Alexis Dumas (Axel Dumas' first cousin) sets the tone, but the company perfumer (or "nose"), Jean-Claude Ellena, runs a laboratory inside his home outside the city of Grasse and develops Hermès' fragrances. Another cousin, Pascale Mussard, heads Petit h, a division that makes one-of-a-kind *objets* from Hermès remnants, scraps of crocodile skin or swaths of unused silk. And the events teams, once given their marching orders, let their whimsy show, as evidenced at J.P. Morgan's old office. "We've always said we don't take ourselves too seriously at Hermès," says the company's U.S. CEO, Robert Chavez.

The autonomy is even greater at the retail level. Twice a year more than 1,000 store representatives come to Paris for an event called "Podium," where they select which pieces of merchandise

they will carry. The family has decreed that each flagship store must pick at least one item from each of the 11 métiers—thus pushing them beyond handbags, scarves and ties to perfume, jewelry, watches, home accessories. In giving these managers an elaborate menu to choose from, each store boasts merchandise unique to itself. The moneyed globe-trotters who constitute the Hermès customer base constantly find themselves on a worldwide treasure hunt. For example, only in Beverly Hills can they find a \$12,900 basketball, and the \$112,000 orange leather bookcase was sold exclusively at the Costa Mesa store. So when they fall in love with that \$11,300 bicycle there's a pressure to get it, since the company's website, while ahead of many luxury competitors, offers just a smattering of the Hermès product line.

THE TOP CASE STUDY at the "Inside the Orange Box" indoctrination, according to those who have attended, surrounds the Hermès Birkin bag. And rightly so. The Birkin, a chic cousin to the Kelly bag that runs from \$8,300 to \$150,000, embodies everything that keeps the Hermès brand so profitable.

It also represents the highest order of Dumas' fabled craftsmanship. When I visit the six-story workshop

in the Parisian suburb of Pantin, I watched French leatherworkers who must have at least three years of training before ascending to Birkin duty, hand-stitch each crocodile and goat-skin leather seam with two needles and beeswax-covered thread, and hammer the tiny rivets that attach the clasps to the leather. Vertically integrated leather, no less: In another example that defines a different kind of innovation, Hermès purchased two crocodile farms in Australia in 2010 and an alligator farm in Louisiana to supply the finest skins.

But since taste, as noted, is fickle, the ability to keep the Birkin as apparel's ultimate status symbol proves to be a cold, hard business. The genesis story helps: As with the Kelly bag, it began with a fashion symbol. In 1981 Jane Birkin, a British actress and "It Girl" from London's Swinging '60s, was sitting next to Jean-Louis Dumas on a flight between Paris and London when he noticed her overstuffed straw bag. "You should have one with pockets," he told her. "The day Hermès makes one with pockets, I will have that." "But I am Hermès," he told her and soon ordered up a variation on the Kelly with a similar belt and lock closure. The Birkin debuted three years later and became an instant hit.

While Hermès officially denies that bold-faced names get special

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treatment in procuring one ("We consider all of our clients to be celebrities in their own right," says Chavez), the Birkin bag somehow, over the decades, finds its way onto the arms of the most current set of tastemakers. Beyoncé, Lady Gaga and Kim Kardashian all sport one. And Victoria Beckham is said to have a collection of Birkins worth more than \$2 million. At LVMH the paid celebrity endorsement is an art, from Michelle Williams representing Louis Vuitton bags to Charlize Theron as the face of Dior perfume; at Hermès the perception (and reality) that the A-list is truly its customer proves to be a less expensive, more authentic endorsement.

The velvet rope beckons the rest of us. You won't find a Birkin or Kelly bag online or even in a store. And Hermès says it has done away with its reputed waiting list. "They would probably be seven to ten years," says Chavez. "If you want a bag in lizard or crocodile it could take longer."

Like the most exclusive clubs, membership qualifications are intentionally vague. "There is no specific rule about it," says Dumas. Echoes Chavez: "There's really no system."

Indeed, when I went to the New York City flagship on Madison Avenue to ask about buying a Birkin, I was told there were none in the store.

"When will you get one in?" I asked innocently.

"I couldn't say."

"Could you take my information and let me know when one comes in?"

"We don't do that here."

"I've heard there is a waiting list."

"We don't do that here."

"When was the last time you had a Birkin for sale in the store?"

"I couldn't say."

"I've heard that if I'm a good customer and spend a lot of money, I have a better chance of getting a Birkin."

"We don't do that here."

Short of mega-influence, the only

THE WORLD'S 100 MOST INNOVATIVE COMPANIES

BY JEFF DYER AND HAL GREGERSEN

INNOVATION RANKINGS SHOULDN'T BE a popularity contest with editors throwing darts at the wall. Our method relies on investors' educated hunches as to which firms will continue to create profitable new growth. This is captured in an innovation premium (IP), the difference between a firm's enterprise value and a net present value of cash flows from its existing businesses (based on analysis from Finstra Consulting in collaboration with Innovators DNA and using data and a proprietary valuation model from HOLT, a division of Credit Suisse). This year's list is a diverse stew of luxury goods, retailers, food staples, engineering and IT services. One-quarter of the companies are from Asia, but the U.S. dominates the list. Companies need seven years of public financial data (and \$10 billion in market cap) to make the list, which is why some obvious candidates such as Facebook and Tesla Motors are not on it this year. Spoiler alert: Tesla will likely be number one next year (its IP is 80%) unless it really falls off a cliff over the next five months. We require a threshold of R&D spending so banks don't make the cut. Nor do energy and mining firms, whose market value is tied more to commodity prices than to innovation. One big caveat is that our method does not correlate with subsequent investor returns because today's value already incorporates these expected improvements in financial performance. You can read more about how we measure innovation and what makes good managers bad innovators at forbes.com/innovative-companies.



RANK	COMPANY INDUSTRY / COUNTRY	INNOVATION PREMIUM
1	SALESFORCE.COM SOFTWARE / USA	75.93
2	ALEXION PHARMACEUTICALS BIOTECH / USA	71.43

1 SALESFORCE.COM SOFTWARE / USA
Salesforce tops the list for the fourth year in a row, partly due to the cloud software seller's ability to retain talent. Of the 500 or so employees at the company a decade ago more than half still remain. What keeps them is the freedom to work on new projects. At yearly internal job fairs, engineers can jump from one gig to another that catches their eye, no questions asked. "They can't look to me for all the answers," CEO Marc Benioff tells FORBES. "I don't have them, and that's not our culture. It's not my role to be the only visionary in town."

2 ALEXION PHARMACEUTICALS BIOTECH / USA
Rare diseases continue to pay off for Alexion. Shares are up 62% in the past 12 months on hopes for increased global sales of its Soliris, a treatment for a rare kidney disease. A new treatment called asfotase alfa, for an even rarer bone disorder, just got a new drug application accepted by the European Medicines Agency, and an application to the FDA is said to be close behind. Revenue has more than doubled since 2011.

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sure way to get one of the coveted bags is to buy it on the auction market. The appreciation of Hermès bags can be staggering, particularly for the more exotic skins. In 2013 Heritage Auctions sold a collection of Birkins for three to five times the presale estimates. The record for a Birkin was the \$203,150 that a collector paid in 2011 for a red crocodile bag with white-gold-and-diamond detailing. That's mystique at its poshest level.

AXEL DUMAS EVEN ORDERS lunch in a Hermès-kind of way. "I'll have your best steak," he says, paying little mind to the menu, while dining at New York's Capital Grille.

He's talking about what's next for the company. Hermès, which currently has 318 stores on five continents, is opening a new flagship in Shanghai this month (it already has three other *maisons* in that city). And while Dumas is renovating stores in Indonesia, Taiwan and London, next year will carry an American focus, with seven expansions and openings, including a Manhattan perfume store near the World Trade Center and a new location in Miami.

Though Dumas is typically circumspect about many other initiatives, he's willing to guarantee one thing: that Hermès, for all its legal battles, will not wind up succumbing to LVMH. "The mood of the family has always been very strong and very determined," he says. "We are here for the long term."

Could he imagine his son or daughter following in his footsteps at the company? He says that he won't try to persuade them. But he also makes it clear that some member of the seventh generation would be expected to step up and continue the tradition of product excellence and sales sorcery. "I am just the tenant for the next generation." **F**

Additional reporting by Hannah Elliott and Arooba Khan.

THE TOP 100

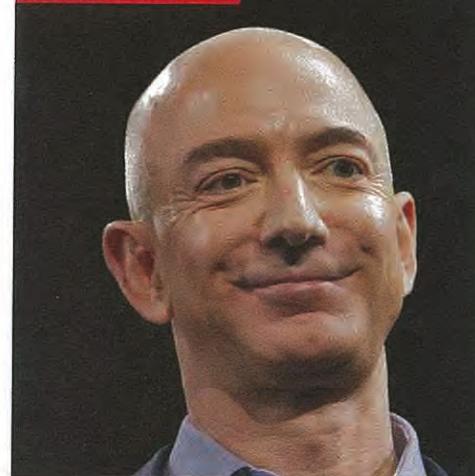
ARM HOLDINGS



UNILEVER INDONESIA



AMAZON CEO JEFF BEZOS

RANK COMPANY
INDUSTRY / COUNTRYINNOVATION
PREMIUM

3	ARM HOLDINGS SEMICONDUCTORS / GBR	65.57
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Its processor designs are already in 95% of all smartphones. Next comes the Internet of Things, for which ARM's low-power Cortex-M0+ design, the width of a human hair, will be the 32-bit brain in smartwatches and embedded sensors.

4	UNILEVER INDONESIA HOUSEHOLD PRODUCTS / IDN	65.13
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The subsidiary of the Dutch consumer giant sells brands such as Dove, Riso and Magnum ice cream, which recently debuted pink and black ice cream bars. The company got 5 million Indonesians to vote for their favorite color. Pink won.

5	REGENERON PHARMACEUTICALS BIOTECH / USA	64.67
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It's focusing on a new group of antibody drugs for cholesterol, rheumatoid arthritis and asthma that arose from its co-founder's work creating mice that may be better models for human disease.

6	AMAZON.COM INTERNET RETAIL / USA	62.36
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Its R&D spending is up almost fivefold since 2010, while revenue has "merely" tripled. There are few slices of commerce that Amazon doesn't covet.

7	BIOMARIN PHARMACEUTICAL BIOTECH / USA	58.89
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Its drug Vimizim, a treatment for Morquio A, a disease that afflicts a mere 800 patients in the U.S., went on sale in February at an average wholesale price of \$380,000 per patient per year. Sales are already 60% ahead of estimates.

8	CP ALL PUBLIC FOOD RETAILING / THA	57.80
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The listed division of Thailand's giant CP Group, controlled by billionaire Charavanont family, operates a highly profitable chain of 6,800 7-Eleven stores.

9	VMWARE SOFTWARE / USA	57.62
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Its software now manages 40 million virtual machines across hundreds of thousands of customers, creating a massive potential market for additional networking and security revenue.

10	ASPEN PHARMACARE PHARMACEUTICALS / ZAF	57.13
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The largest drugmaker in Africa began in a converted house in Durban, South Africa. It sells into more than 150 countries. Revenue is up 33% this year.

SPECIAL INSIDERS ISSUE

THE ULTIMATE GUIDE TO THE BEST Hairstylists • Manicurists • Colorists
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MARCH 2000

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Grabbed Bags

From a GG'd clutch to an FF'd baguette, most accessories of the moment change with the wind. But some handbags weather any storm, surviving on their own merit: Louis Vuitton's accessories pouch can hold a full-size wallet and cell phone yet double as an evening bag. Others earn a following through careful planning: Prada's bowling bag was given to fashion editors at the spring runway show. Some bags are simply so cool, their appeal cannot be explained. Of her denim-and-leather Hermès Birkin bag, Kate Moss admits, "I love it because I love it. I love it because it's genius." —MICHELLE MAGUIRE



PRADA leather
bowling bag, \$870.



HERMÈS canvas-and-
leather Birkin bag, \$5,000.



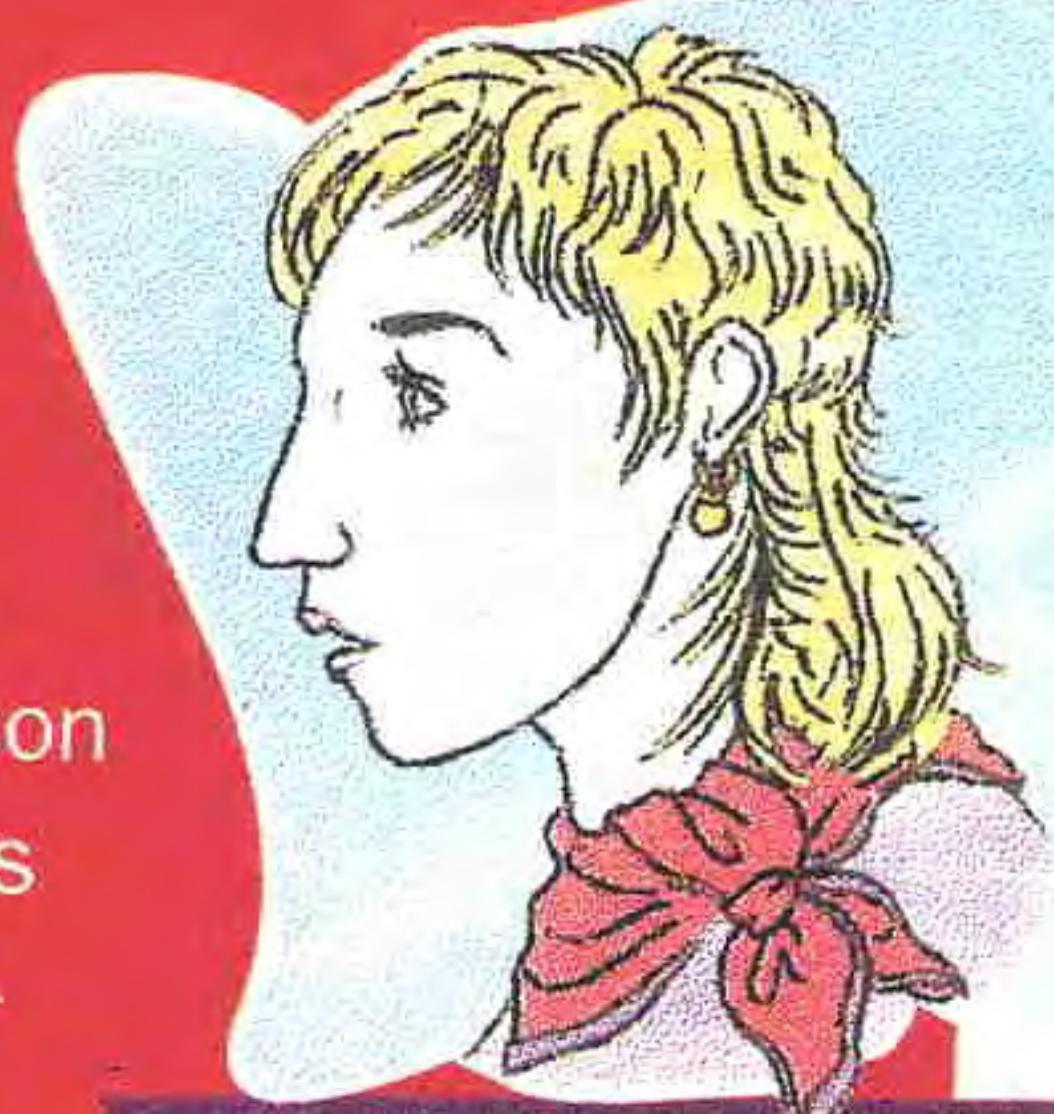
TOD'S leather
City bag, \$1,300.



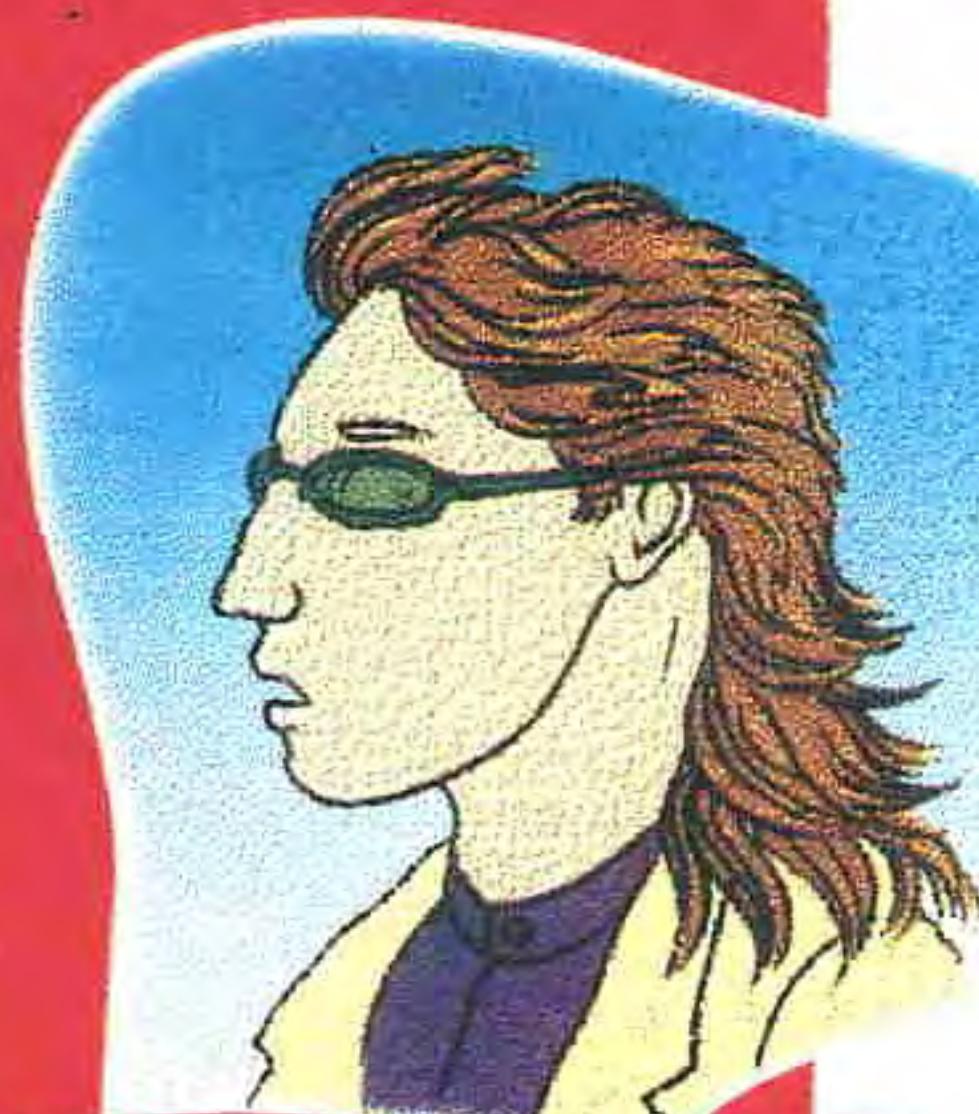
LOUIS VUITTON
leather accessories
pouch, \$130.

MULLET OVER

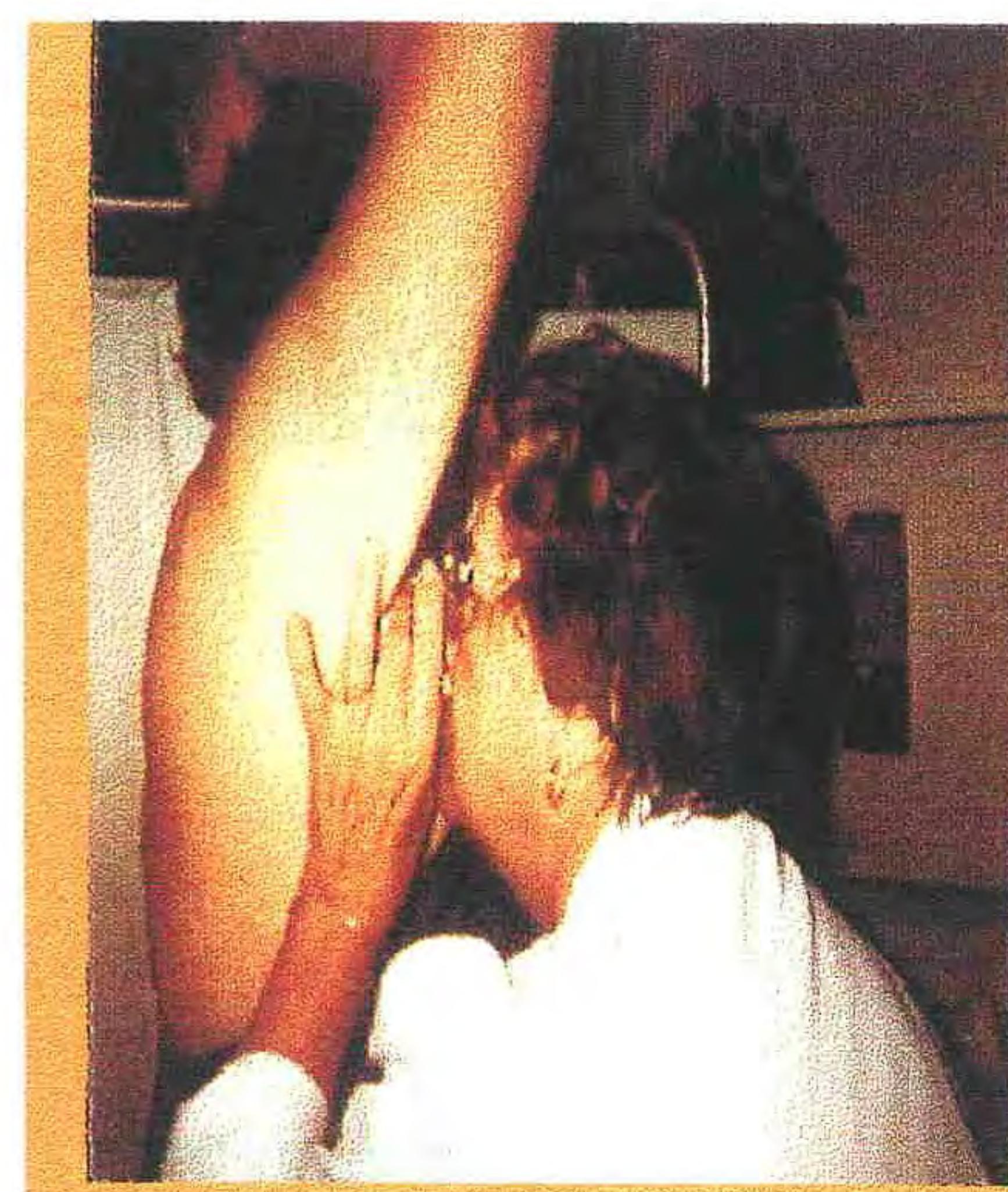
The mullet is no mere haircut. In *The Mullet: Hairstyle of the Gods* (Bloomsbury, \$14.95), Mark Larson and Barney Hoskyns celebrate the short-in-front-long-in-back haircut strand by strand. The book traces the mullet's roots back to the dawn of civilization, suggesting that "depictions of Neanderthal Man...with a short-on-the-top-but-long-and-scraggly-at-the-back do may explain the popularity of 'Ape Drape' as one of the Mullet's many synonyms." (Other aliases for the hairstyle include the Sho-lo, the Shlong, the Mud Flap, the Beaver Paddle, and the Camaro.) The book's most useful—and side-splitting—information comes in the Hall of Fame chapter, which profiles the variety of mullets, from the Nashville (a.k.a. the Achy Breaky) to the Lady Mullet (a.k.a. the Duck and Cover). While the style has come in and out of fashion, Larson predicts it will never completely disappear: "A mullet has the power to raise the ordinary person to extraordinary status." —RORY EVANS



THE LADY MULLET



THE MOVIE STAR



Stink Tank

It's a dirty job, but somebody's got to do it—test deodorant, that is. So when Unilever introduces a new one—most recently, Dove Anti-Perspirant—it relies on what might be called its Armpit Corps of Engineers. "We've never been able to replicate the human nose," explains Judy Rahn, clinical science manager for Unilever. "It's the most sensitive instrument out there." The troops are divided into sniffers, sweaters, and—for lack of a better word—stinkers. The sweaters test wetness by spending 80 minutes in a 100-degree sauna with moisture-collecting pads under their arms. Stinkers test odor after a week without deodorant. Once they've achieved a suitable level of gaminess, the stinkers have their pits judged by the sniffers. The stinkers then start wearing deodorant, checking back to see how well the product is working. Most stinkers welcome the deodorant with open armpits. "You walk into that room and it's pretty stinky," Rahn acknowledges. "We're happy to get them treated." —LINDSY VAN GELDER

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